

ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009
COMMITTEE STATEMENT
LB316

Hearing Date: Monday February 23, 2009
Committee On: Appropriations
Introducer: Speaker Flood
One Liner: Change provisions relating to certain funds and provide for transfers of funds

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 9 Senators Fulton, Hansen, Harms, Heidemann, Mello, Nantkes, Nelson, Nordquist, Wightman
Nay:
Absent:
Present Not Voting:

Proponents:

Gerry Oligmueller

Representing:

Introducer - Governor's Office

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 316, introduced by the Speaker at the request of the Governor, is a part of the Governor's biennial budget recommendations.

The bill includes the following new fund or transfer items:

1. The State Treasurer is directed to make the following transfers:
 - a. Two separate transfers from the General Fund to the Highway Cash Fund to finance carrier enforcement operations;
 - b. Two separate transfers from the General Fund to the Water Resources Cash Fund as provided in section 61-218;
 - c. Four separate transfers from the General Fund to the Ethanol Production Incentive Cash Fund pursuant to section 66-1345.04 and to ensure that the funding obligations of the Ethanol Production Incentive Act are met through FY 2010-11;
 - d. One transfer each from the Administrative Services Administration Revolving Fund and the State Accounting Division Revolving Fund to the State Personnel Division Revolving Fund to provide financing for an employee information management system;
 - e. Two separate transfers from the General Fund to the Property Tax Credit Cash Fund to continue the property tax relief provided by the state pursuant to the Property Tax Credit Act enacted in 2007;
 - f. One transfer from the unexpended, unobligated balance of the Health Care Cash Fund to the Joseph Soukup Trust Fund;
 - g. Two separate transfers from the Severance Tax Administration Cash Fund to the Department of Revenue Enforcement Fund to enhance tax compliance technological resources.
2. Section 82-332 is amended to clarify what constitutes matching funds for distributions from the Nebraska Cultural Preservation Endowment Fund.

This legislative bill contains the emergency clause.

Explanation of amendments:

LB 316 is the Funds Transfer Bill. The committee amendment (AM 890) becomes the bill.

Sections 1 and 2: Section 1 transfers \$100,000 from the DAS Administrative Fund to the DAS Personnel Revolving Fund. Section 2 transfers \$265,000 from the DAS Accounting Division Revolving Fund to the DAS Personnel Revolving Fund. These transfers are for the purpose of developing and implementing a Talent Management System.

Section 3 and 4: Transfers \$2,500,000 from the General Fund to the Ethanol Production Incentive Cash Fund (EPIC Fund) on or before June 30, 2010 and again on or before June 30, 2011.

Section 5: Transfers \$200,000 from the Agricultural Alcohol Fuel Tax Fund to the EPIC Fund on or before June 30, 2010.

Section 6 and 7: Transfers \$2,700,000 from the General Fund to the Water Resources Cash Fund on or before June 30, 2010 and again on or before June 30, 2011.

Section 8 and 9: Transfer \$8,250,000 from the General Fund to the EPIC Fund on or before June 30, 2010 and again on or before June 30, 2011.

Section 10 and 11: Transfer \$112,000,000 from the General Fund to the Property Tax Credit Cash Fund on or before December 31, 2009 and again on or before December 31, 2010 to provide property tax credits.

Section 12: Transfer \$100,000 from the Health Care Cash Fund to the Joseph Soukup Trust Fund before July 1, 2009.

Section 13 and 14: Transfer an amount as directed by the budget administrator of DAS pursuant to subdivisions (3) and (4) of section 82-331 from the General Fund to the Nebraska Cultural Preservation Endowment Fund on December 31, 2009 and again on December 31, 2010. The amounts shall not exceed \$500,000.

Section 15: Transfer \$250,000 from the Severance Tax Administration Fund to the Department of Revenue Enforcement Fund on July 1, 2009 or as soon as administratively possible. The same amount is transferred on July 1, 2010. These transfers are to be utilized to upgrade tax enforcement technology.

Section 16: Allows the Legislature to make transfers from the Agricultural Alcohol Fuel Tax Fund to the EPIC Fund.

Section 17: States the Legislative intent to appropriate an additional \$8,250,000 from the EPIC Fund. This is the appropriation that allows the expenditure of funds transferred in sections 8 and 9 of the bill.

Sections 18/19: Changes the intercept of the tobacco settlement revenue for the Tobacco Settlement and Control Program to a transfer from the Health Care Cash Fund. The bill also changes the transfer from the Tobacco Settlement Trust Fund to the Stem Cell Research to a transfer from the Health Care Cash Fund.

The existing intercept of \$3 million for the Tobacco Prevention and Control Cash Fund from the Health Care Cash Fund will occur as a transfer no later than July 15, 2010 and by each July 15 annually thereafter..

The Stem Cell Research transfer from the Nebraska Health Care Cash Fund to the Stem Cell Research Cash Fund shall occur annually no later than July 15 each year.

\$56,100,000 is transferred from the Nebraska Medicaid Intergovernmental Trust Fund and the Nebraska Tobacco Settlement Trust Fund to the Nebraska Health Care Cash Fund no later than July 15, 2009 and \$59,100,000 annually no later than July 15 each year thereafter.

Section 21: Amends the section of law governing the Job Training Cash Fund extend the length of time that the uncommitted and unexpended balance of the fund may be used by the Department of Economic Development. Current law provides that uncommitted and unexpended balances would be transferred back to the Cash Reserve Fund beginning in 2010 and 2011. AM890 would amend the law to delay transfers until 2014 and 2015.

Section 22: Amends the section of law governing transfers from the General Fund to the Nebraska Cultural Preservation Endowment Fund. Current law provides that \$2,000,000 be transferred from the General Fund in FY09-10 and FY10-11. AM890 would provide that up to \$500,000 be transferred from the General Fund to the Cultural Preservation Endowment Fund on December 31 of 2009 and 2010. An amount not to exceed \$1,500,000 will be transferred on December 31, 2011 and 2012 if dollar-for-dollar private matching funds are generated. If the full transfer authority was not used in one year, the unused amount could be carried forward to succeeding years. The actual transfers are carried out in Sections 13 and 14 of AM890.

Section 23: Amends the section of law governing the definition of private matching funds generated to match Nebraska Cultural Preservation Endowment Fund earnings transferred to the Nebraska Arts and Humanities Cash Fund.

Section 24: Allows transfers from the Corporation Cash Fund to the General Fund and makes a transfer of \$500,000 on or before July 5, 2009.

Section 25: Allows the University of Nebraska to redirect up to \$11,800,000 in interest income earned on bonds associated with the LB 1100 (1998) renovation projects for the acquisition and implementation of a joint student information system for the University of Nebraska and the Nebraska State College System.

Section 27: Outright repeal of section 81-1623. This is the full content of LB 96. The section being repealed is duplicative in that it creates the Energy Office Cash Fund for the second time in statute. By repealing this section, potential conflict within statutory provisions is removed.

Section 28: Is the Emergency Clause.

Lavon Heidemann, Chairperson